Chapter 1
Purpose of and Need for the Proposed Action

1.1 Introduction

On October 30, 2007, Canadian National Railway Company and Grand Trunk Corporation (collectively, CN or the Applicants) filed an application with the Surface Transportation Board (the Board) seeking the Board's approval to acquire control of EJ&E West Company,[1] which today is a wholly owned noncarrier subsidiary of Elgin, Joliet and Eastern Railway Company (EJ&E). The Applicants are proposing to acquire control of EJ&E West Company and to use EJ&E's main rail line to connect all five of CN's rail lines in the Chicago, Illinois, metropolitan area (the Proposed Action). The EJ&E main line, located in northeastern Illinois and northwestern Indiana, extends in an arc around Chicago as follows:

- From Waukegan, Illinois, southward to Joliet, Illinois
- From Joliet eastward to Gary, Indiana
- From Gary northwest to Chicago, along Lake Michigan

Figure 1.1-1, Project Vicinity, below, shows the existing CN and EJ&E rail systems.

Before the Applicants acquire control of EJ&E West Company, EJ&E would transfer all of its land, rail, and related assets located west of the centerline of Buchanan Street in Gary, Indiana, to EJ&E West Company. These assets include EJ&E's main line as well as double track, branch lines, and yards (see Section 1.2.3, Elgin, Joliet and Eastern Railway Company, below). At that time, EJ&E West Company would become a rail common carrier. EJ&E would retain its land, rail, and related assets east of the centerline.[2] If the Board approves the Proposed Action, EJ&E would change its name to Gary Railway Company and EJ&E West Company would assume the Elgin, Joliet and Eastern Railway Company name.

CN would shift much of the rail traffic currently moving over CN's rail lines in Chicago to the EJ&E main line. Rail traffic on CN rail lines inside the EJ&E arc[3] would generally decrease, and the number of trains operating on the EJ&E main line outside Chicago would increase by approximately 15 to 24 trains per day. The Proposed Action would also involve construction of six short rail connections for operational efficiency; CN would construct these connections within, or very close to, existing rights-of-way (ROW). In addition, CN would construct three siding extensions and second mainline track (double track) within existing ROW. The Applicants state that they do not anticipate any rail line abandonments in conjunction with the Proposed Action (Applicants 2007a).

1 EJ&E West Company is an Illinois corporation formed on August 16, 2007.

2 Except for property associated with two lead tracks (the Dixie and hump leads) providing access to Kirk Yard in Gary, Indiana.

3 The area inside the EJ&E arc includes the portions of Lake, Cook, DuPage, and Will counties in Illinois and Lake County in Indiana located within the arc formed by the EJ&E main line between Waukegan, Joliet, and Gary. The area outside the EJ&E arc includes portions of the aforementioned counties as well as Kendall and Grundy counties in Illinois.


Waukegan
North Chicago
Great Oaks
Lake Bluff
Mundelein
Libertyville
Hawthorn Woods
Mettawa
Vernon Hills
Lincolnshire
Lake Zurich
Long Grove
Buffalo Grove
Lake Co.
McHenry Co.
Kane Co.
Cook Co.
Deer Park
Barrington
Barrington Hills
Wheeling
Prospect Heights
South Barrington
Hoffman Estates
Mount Prospect
Elgin
Des Plaines
South Elgin
Hanover Park
Bartlett
Bloomingdale
O'Hare Airport
Waukesha Subdivision
Freeport Subdivision
Chicago
Lake Michigan
Wayne
Carol Stream
Addison
Elmhurst
Franklin Park
River Grove
Glendale Heights
Melrose Park
River Forest
West Chicago
Villa Park
Hillside
Berwyn
Cicero
Westchester
Riverside
Warrenville
Summit
Aurora
Bolingbrook
Naperville
Oakland Park
Willow Springs
Justice
Kane Co.
Kendall Co.
DuPage Co.
Will Co.
Western Subdivision
Joliet Subdivision
Elsdon Subdivision
Chicago Subdivision
Lake Front Line
Whiting Line
Normantown
Lemont
Romeoville
Plainfield
Blue Island
Dolton
South Holland
Harvey
Hazel Crest
Hammond
Gary
Lansing
Crest Hill
Lockport
Fairmont
Homewood
Munster
Highland
Gary / Chicago Airport
South Bend Subdivision
Illinois River Line
Joliet
New Lenox
Frankfort
Matteson
Chicago Heights
Dyer
Griffith
Eastern Subdivision
Brisbane
Flossmoor
Richton Park
Park Forest
Sauk Village
Cook Co.
Will Co.
Schererville
Merrillville
Kendall Co.
Grundy Co.
Minooka
Manhattan
University Park
Lake Co.
Illinois
Indiana
N
Miles
0
5
10
Sources:
U.S. Census TIGER Data, CN,
National Transportation Atlas Database
Data to be used for reference only.
EJ&E Rail Line
CN Rail Line
Other Rail Line
CN | EJ&E
Environmental Impact Statement
Figure 1.1-1
Project Vicinity

On December 21, 2007, the Board issued a Notice of Intent (NOI) to prepare, through its Section of Environmental Analysis (SEA), an Environmental Impact Statement (EIS) for this proceeding (Federal Register [FR] 2007a). The Board determined that an EIS is warranted in accordance with the National Environmental Policy Act of 1969, as amended (NEPA) (Board 2007a; 42 United States Code [USC] 4321 et seq.). The President's Council on Environmental Quality (CEQ) regulations implementing NEPA and the Board's own environmental rules prescribe the level of documentation required for the environmental review process; actions significantly affecting the quality of the human environment generally require an EIS (42 USC 4332(2)(C); 40 Code of Federal Regulations [CFR] 1508.11; 49 CFR 1105.4(f); 49 CFR 1105.5). In the case of the Proposed Action, the projected increases in train traffic on certain rail line segments and at rail facilities would exceed the Board's thresholds for environmental analysis. The Board based its decision to prepare an EIS on the information provided in the Application and on a number of concerns expressed by communities potentially affected by the Proposed Action.

1.2 Background

The following sections address the congested rail system in the Chicago metropolitan area, the Applicants and the CN rail system, as well as EJ&E and its rail system.

1.2.1 The Rail System in the Chicago Metropolitan Area

Chicago, Illinois, is the only city in the United States where six Class I railroad[4] systems (BNSF Railway Company [BNSF], CN, Canadian Pacific Railway Company [CPR], CSX Transportation, Inc. [CSX], Norfolk Southern [NS], and Union Pacific Railroad Company [UP]) meet to interchange freight. In Chicago, the railroads exchange freight between the East, West, and Gulf coasts and between the United States and Canada. In addition to the six Class I railroads with rail lines in Chicago, a seventh Class I railroad (The Kansas City Southern Railway Company [KCS]) operates by means of trackage rights, which allow KCS to operate its trains over another railroad's tracks. Thus, all seven of the North American Class I freight railroads converge in Chicago.

What are trackage rights?
Trackage rights are the right (or combination of rights) of one railroad to operate over the designated trackage of another railroad.

The major rail lines meet in the Chicago Terminal District, a 2,800-mile network of rail lines within the Chicago metropolitan area (see Figure 1.2-1, Major Routes Used by CN through Chicago, below). The district comprises 70 yards and terminals (including 26 intermodal hubs, which provide for transfer of containerized cargo or truck trailers between two or more modes of transportation) and more than 1,950 at-grade crossings (Chicago Region Environmental and Transportation Efficiency [CREATE] 2005; Business Leaders for Transportation [BLT] 2002). The at-grade crossings include both rail/rail crossings, where rail lines intersect, and highway/rail crossings, where a rail line and a road meet at the same level.

What is an intermodal hub?
An intermodal hub is a facility that provides for transfer of containerized cargo or truck trailers between two or more modes of transportation, such as trucks, railroads, and cargo ships.

[4] Class I railroads have annual carrier operating revenues of $250 million or more.


Lake Michigan
Illinois
Indiana
Waukesha Subdivision
METRA
BRC
BOCT
CSX
Freeport Subdivision
IHB
St. Charles Air Line
16th Street Station
Joliet Subdivision
BRC Clearing Yard
Elsdon Subdivision
Chicago Subdivision
CSX
N
Miles
0 0.5 1 2 3
Sources:
U.S. Census TIGER Data, CN,
National Transportation Atlas Database
Data to be used for reference only
CN EJ&E
Environmental Impact Statement
EJ&E Rail Line
CN Rail Line
CN Trackage Rights
Other Rail Line
Figure 1.2-1
Major Routes Used By CN Through Chicago

Much of the Chicago rail network has been in place for more than a century (Chicago Metropolis 2020 2004). The rail lines of the Class I railroads, originally built to access the center of Chicago, do not facilitate movement of freight through the Chicago metropolitan area because the railroads and the business leaders of Chicago did not foresee the need during the era of railroad construction (Conzen 2005). Numerous smaller regional and switching railroads operating in Chicago connect Class I railroads and provide short-haul capacity within the Chicago Terminal District. The Class I railroads also use the rail lines of these switching railroads, by means of trackage rights to connect from one rail line to another within the Chicago metropolitan area (see Figure 1.2-1, Major Routes Used by CN Through Chicago, above).

One-third of all rail freight in the United States moves to, from, or through Chicago (CREATE 2005). More than 600 freight trains operate within the Chicago Terminal District each day, transporting an average of 37,500 rail freight cars carrying about 2.5 million tons of freight (Chicago Area Transportation Study [CATS] 2000; BLT 2002).

Trains providing passenger service in the Chicago metropolitan area and from Chicago to other cities (Amtrak, Metra, and NICTD) also operate on the rail network within Chicago. The National Railroad Passenger Corporation, better known as Amtrak, provides passenger service in the Chicago metropolitan area by means of trackage rights granted by Class I railroads (BNSF, CN, and NS) and by Metra. In 2002, Amtrak served more than two million intercity passengers traveling to or from Chicago (CREATE 2005). Currently, Amtrak operates about 78 trains per day in the Chicago metropolitan area (Amtrak 2008a). Metra, the commuter rail division of the Regional Transportation Authority of Northeast Illinois (RTA), provides commuter service on its own rail lines and also has trackage rights on freight railroads (Metra 2007a). Metra operates 720 trains per day and provided service to 82 million passengers in 2007 (Metra 2008a; Metra 2007a). The Northern Indiana Commuter Transportation District (NICTD) operates 41 trains per day (NICTD 2007a).

Metra's rail lines are intertwined with Class I freight rail lines through a series of parallel tracks, trackage rights granted to Metra on freight rail lines, and dozens of rail/rail at-grade crossings. Freight trains use many of the same tracks and critical junctions as the Metra trains. During each weekday rush hour, freight movements are substantially curtailed while Metra and Amtrak passenger trains take priority (Ryan 2007). The large volume of freight and passenger trains moving on these rail lines (more than 1,400 trains per day) and the use of the same rail lines by multiple rail companies result in delays as trains wait to cross other rail line segments (Illinois Department of Transportation [IDOT] 2006; BLT 2002).

Delays also occur as Class I railroads wait to use switching rail lines and yards within the Chicago Terminal District. Because of rail traffic congestion, a CN freight train can take more than 24 hours to travel through an area about 30 miles in length, from near O'Hare International Airport to near Blue Island, Illinois (CN 2008a). Both freight and passenger train traffic is forecast to increase considerably within the Chicago Terminal District, further exacerbating the congestion and delays (BLT 2002).

1.2.2 The Applicants

Canadian National Railway Company incorporated in 1919 as one of Canada's two transcontinental railroads. Today, together with its subsidiary Grand Trunk Corporation, it spans Canada and the central United States from the Atlantic and Pacific oceans to the Gulf of Mexico. In Canada, CN's rail lines extend from Halifax, Nova Scotia, to Vancouver and Prince Rupert, British Columbia. In the United States, CN extends from Chicago to Port Huron and Detroit, Michigan; Ranier, Minnesota; and New Orleans, Louisiana. CN serves the ports of Vancouver and Prince Rupert; Halifax; Montreal, Quebec; New Orleans; and Mobile, Alabama. CN also serves the key cities of Toronto, Ontario; Buffalo, New York; Chicago; Detroit; Duluth, Minnesota; Superior and Green Bay,

Wisconsin; Minneapolis/St. Paul, Minnesota; Memphis, Tennessee; St. Louis, Missouri; and Jackson, Mississippi. In addition, CN has connections with other rail carriers to all points in North America. CN is part of the North American Free Trade Agreement (NAFTA) rail network, offering access to Kansas City Southern de México Railroad, S.A. de C.V. through a marketing alliance with KCS (CN 2008b).

CN owns and operates five rail lines that converge in Chicago (see Figure 1.1-1, Project Vicinity, above, and Section 1.4.1, Communities and Land Use near the CN Rail Lines, below, for more information on these rail lines):

- The Waukesha Subdivision approaches Chicago from the north.
- The Freeport Subdivision approaches Chicago from the west.
- The Joliet Subdivision approaches Chicago from the southwest (from Joliet).
- The Chicago Subdivision approaches Chicago from the south.
- The Elsdon Subdivision approaches Chicago from the east.

What are subdivisions?
Subdivisions are smaller entities of the rail lines under consideration in this Draft EIS. Five of CN's subdivisions–Waukesha, Freeport, Joliet, Chicago, and Elsdon–are within the Chicago Terminal District.

CN operates three major yards in the Chicago Terminal District: Glenn Yard (in Chicago), Hawthorne Yard (near Cicero, Illinois), and Markham Yard (an intermodal hub in Harvey, Illinois, and extending into Homewood, Illinois) (see Figure 1.2-2, Yard Locations, below). In addition, CN has smaller yards, also located within the EJ&E arc, and uses the Belt Railway Company of Chicago (BRC) Clearing Yard for rail car switching.

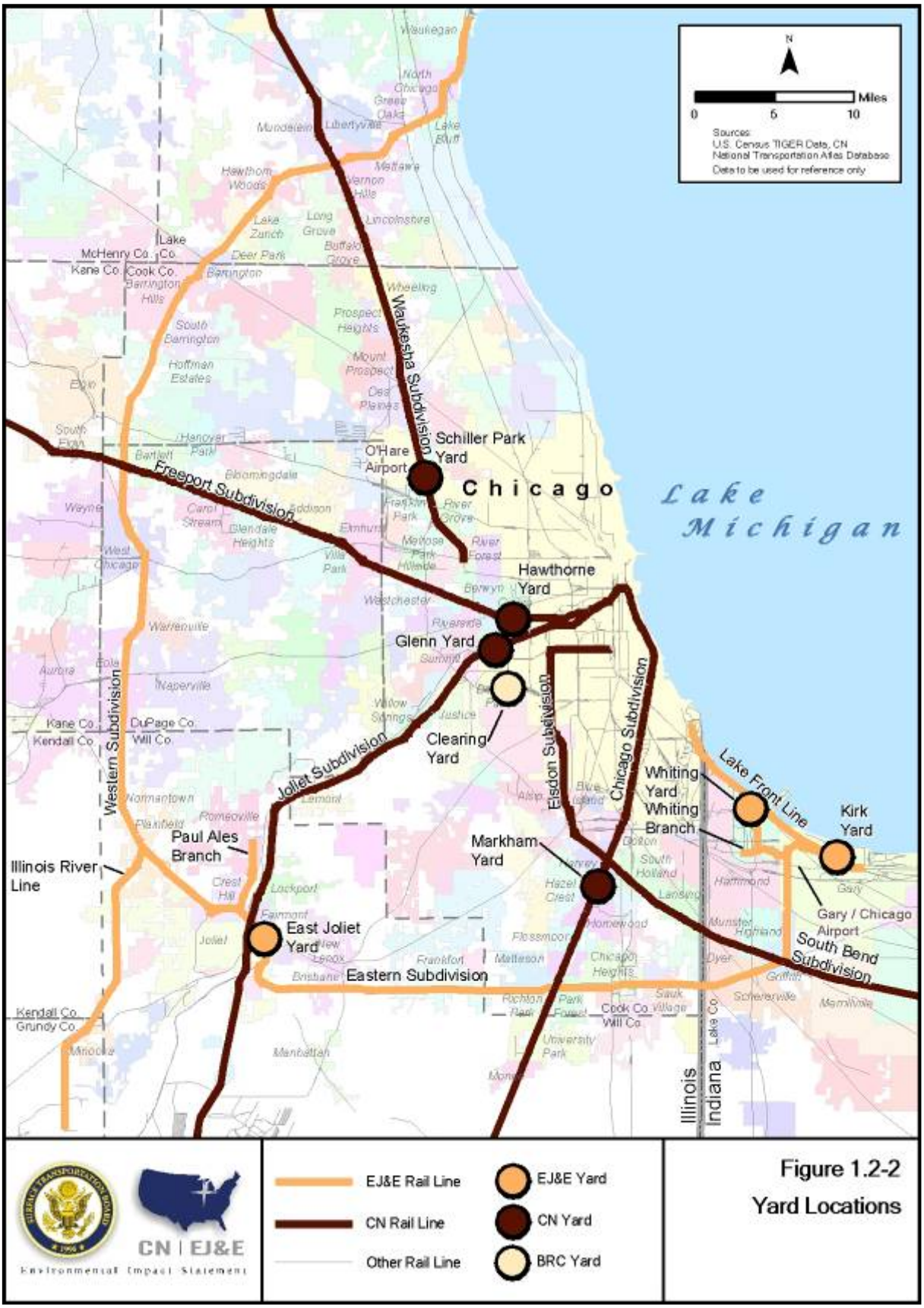
Chicago is a major CN junction for trains shipping freight from the Gulf Coast to eastern or western Canada; about two-thirds of the CN trains operating in the Chicago metropolitan area are en route to other cities (Applicants 2007a). Most of these trains must travel into Chicago for classification and switching at CN yards. In addition, most CN trains moving from one CN rail line to another must travel on other rail lines primarily those of BRC, Baltimore and Ohio Chicago Terminal Railroad (BOCT), CSX, and Indiana Harbor Belt Railroad (IHB), and on segments of the EJ&E main line (see Figure 1.2-1, Major Routes Used by CN through Chicago, above).

What is classification?
Classification is the sorting and assembling of rail cars in station or delivery order for making up or breaking up trains. Rail cars are sorted and assembled by their destination.

1.2.3 Elgin, Joliet and Eastern Railway Company

EJ&E is a Class II railroad[5] that is a wholly owned indirect subsidiary of United States Steel Corporation (U.S. Steel), a noncarrier. U.S. Steel owns all of the issued and outstanding stock of Transtar, Inc., a noncarrier holding company, which owns all of the issued and outstanding stock of seven common carrier railroads, including EJ&E.

[5] A Class II railroad has annual carrier operating revenues between $20 million and $250 million.


N
Miles
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5
10
Sources:
U.S. Census TIGER Data, CN
National Transportation Atlas Database
Data to be used for reference only
Waukegan
North Chicago
Green Oaks
Libertyville
Lake Bluff
Mundelein
Hawthorn Woods
Vernon Hills
Lincolnshire
Lake Zurich
Long Grove
Buffalo Grove
Deer Park
Barrington
Barrington Hills
Lake Co.
McHenry Co.
Kane Co.
Cook Co.
Wheeling
Prospect Heights
Mount Prospect
Des Plaines
South Barrington
Hoffman Estates
Elgin
South Elgin
Hanover Park
Bartlett
Bloomingdale
Waukesha Subdivision
Schiller Park Yard
O'Hare Airport
Chicago
Lake Michigan
Freeport Subdivision
Wayne
Carol Stream
Addison
Elmhurst
Franklin Park
River Grove
Melrose Park
Hillside
River Forest
Oak Park
West Chicago
Hawthorne Yard
Berwyn
Cicero
Westchester
Riverside
Warrenville
Glenn Yard
Summit
Aurora
Eola
Naperville
Western Subdivision
Clearing Yard
Elsdon Subdivision
Chicago Subdivision
Willow Springs
Justice
Kane Co.
Kendall Co.
DuPage Co.
Will Co.
Joliet Subdivision
Lemont
Bridgeview
Alsip
Whiting Yard
Whiting Branch
Lake Front Line
Kirk Yard
Normantown
Romeoville
Plainfield
Paul Ales Branch
Markham Yard
Dolton
South Holland
Illinois River Line
Crest Hill
Lockport
Hazel Crest
Homewood
Hammond
Gary
Gary / Chicago Airport
Fairmont
East Joliet Yard
Joliet
New Lenox
Flossmoor
Frankfort
Matteson
Chicago Heights
Dyer
South Bend Subdivision
Eastern Subdivision
Griffith
Schererville
Merrillville
Kendall Co.
Grundy Co.
Richton Park
Park Forest
Sauk Village
Cook Co.
Will Co.
Lake Co.
Minooka
Manhattan
University Park
Illinois
Indiana
CN | EJ&E
Environmental Impact Statement
EJ&E Rail Line
CN Rail Line
Other Rail Line
EJ&E Yard
CN Yard
BRC Yard
Figure 1.2-2
Yard Locations

EJ&E operates on slightly more than 198 miles of track in northeastern Illinois and northwestern Indiana. The EJ&E main line, popularly known as "the J," consists of a 120-mile arc of mainline track around Chicago, as described in Section 1.1, Introduction, above. The EJ&E rail system includes this main line as well as double track, branch lines, and yards (see Chapter 2, Section 2.1.3, EJ&E Rail System). EJ&E has the following three main yards (see Figure 1.2-2, Yard Locations, above):

- Kirk Yard, a major automated classification yard in Gary, Indiana
- East Joliet Yard, a major flat-switching yard near Joliet, Illinois, used primarily for rail car storage
- Whiting Yard, a small industrial support yard near Whiting, Indiana

What is a flat switching yard?

A flat-switching yard is a yard at which switching depends on locomotive power, with little assistance from gravity, to move cars to and from various tracks in the process of classifying these cars.

EJ&E provides rail service to approximately 100 customers, including steel mills, coal utilities, plastics and chemical producers, steel processors, distribution centers, and scrap processors. In addition to operating local trains in the Chicago and northwest Indiana region, EJ&E connects customers to Class I rail lines. Inter-line rail connections with all major railroads entering Chicago give EJ&E customers access to the entire North American rail system. The rail connections include those with BNSF, CN, CPR, Chicago SouthShore & South Bend Railroad (CSSB), CSX, Iowa Interstate Railroad (IAIS), NS, and UP.

1.3 Purpose and Need

The Applicants give three primary purposes for seeking to acquire control of the EJ&E rail assets (FR 2007a; Applicants 2007a):

- To improve the Applicants' operations in and beyond the Chicago metropolitan area by providing CN with a continuous rail route around Chicago, under CN's ownership, that would connect the five CN rail lines radiating from Chicago.
- To make EJ&E's Kirk Yard, as well as smaller facilities at Joliet, Illinois, and Whiting, Indiana, available to the Applicants, thus enabling them to consolidate rail car classification work at Kirk Yard and East Joliet Yard and to reduce the use of the BRC Clearing Yard.
- To enable the CN system to benefit from an important supply line EJ&E provided for North American steel, chemical, and petrochemical industries, as well as for Chicago-area utilities and others, thereby allowing the Applicants to develop closer and more extensive relationships with companies in and serving those industries.

According to the Applicants, the availability of a continuous CN route around Chicago and connection of the five CN rail lines radiating from Chicago would greatly improve the fluidity of intermodal and other CN traffic that must move into, from, or through Chicago (Applicants 2007a). The Applicants maintain that the Proposed Action, if approved, would result in more efficient rail traffic flow by shifting much of CN's rail traffic in the Chicago Terminal District to the EJ&E main line and reducing CN's use of congested switching rail lines to connect its rail lines. The Applicants state that shifting a large portion of the CN rail traffic to the EJ&E main line would decrease the traffic density on CN, BRC, and IHB rail lines in Chicago's urban core.

The Applicants state that trains traveling within Chicago experience delays because of the congested rail lines and the reliance on the BRC Clearing Yard for switching traffic between rail subdivisions. Most of the Class I freight railroads in Chicago use the BRC Clearing Yard for train classification.

According to the Applicants, acquisition of Kirk Yard and other EJ&E yards would permit CN to use these yards, located along the EJ&E main line and near the edge of the congested Chicago Terminal District, to classify and switch trains passing through the Chicago metropolitan area. Approval of the Proposed Action by the Board would allow trains that are traveling through the Chicago metropolitan area and are stopping in the Chicago metropolitan area for crew changes, locomotive inspections, and set-outs to use the EJ&E main line and Kirk and East Joliet yards. The Applicants expect this to reduce the number of CN trains that, though bound for other destinations, would otherwise need to travel into Chicago. The Proposed Action would reduce classification work at CN's Glenn, Hawthorne, and Markham yards and at the BRC Clearing Yard.

According to the Applicants, approval of the Proposed Action would enable CN to improve service to many companies in the Chicago metropolitan area, as well as to companies shipping products through the Chicago metropolitan area, by reducing congestion and providing for faster movement of shipments on CN rail lines. The Applicants maintain that shippers would benefit from shortened transit times through the Chicago Terminal District.

1.4 Project Context

The following sections discuss communities and land use near the CN and EJ&E rail lines. For purposes of this EIS, the Study Area is the Chicago metropolitan area and generally encompasses northeast Illinois and northwest Indiana (see Figure 1.1-1, Project Vicinity, above).

1.4.1 Communities and Land Use near the CN Rail Lines

The five CN rail lines inside the EJ&E arc are located in Lake, Cook, DuPage, and Will counties in Illinois and Lake County in Indiana. They enter the Chicago metropolitan area as follows:

- The Waukesha Subdivision from the north—through Mundelein, Vernon Hills, Lincolnshire, Buffalo Grove, Wheeling, Prospect Heights, Mount Prospect, Des Plaines, Chicago, Rosemont, Schiller Park, Franklin Park, River Grove, and Melrose Park, Illinois, to River Forest, Illinois
- The Freeport Subdivision from the west—through Wayne, Bartlett, Carol Stream, Bloomingdale, Glendale Heights, Addison, Villa Park, Elmhurst, Westchester, Broadview, North Riverside, Berwyn, and Cicero, Illinois, to Chicago
- The Joliet Subdivision from the southwest—through Joliet, Lockport, Lemont, Willow Springs, Justice, Hodgkins, and Summit, Illinois, to Chicago
- The Chicago Subdivision from the south—through Park Forest, Matteson, Olympia Fields, Homewood, Hazel Crest, Harvey, and Riverdale, Illinois, to Chicago
- The Elsdon Subdivision from the southeast—from Griffith, Indiana, through Highland, Hammond, and Munster, Indiana; and through Lansing, South Holland, Harvey, Dixmoor, Posen, Blue Island, and Evergreen Park, Illinois, to Chicago

Land use along these CN rail lines varies from forested open space to heavy industrial and includes parks, cemeteries, malls, and schools in the Chicago metropolitan area. With the exception of the Waukesha Subdivision, land use becomes increasingly dense (with heavy industrial and dense residential development) as these rail lines approach downtown Chicago.

1.4.2 Communities and Land Use near the EJ&E Rail System

The EJ&E rail system is located in six counties in Illinois (Lake, Cook, DuPage, Will, Kendall, and Grundy) and in one county in Indiana (Lake). The total population of these counties is more than

8.2 million (U.S. Census Bureau 2007). The EJ&E rail system passes through the following cities, towns, and villages:

- In Illinois—Waukegan, North Chicago, Lake Bluff, Green Oaks, Mettawa, Libertyville, Vernon Hills, Mundelein, Long Grove, Hawthorn Woods, Lake Zurich, Deer Park, Barrington, Barrington Hills, South Barrington, Hoffman Estates, Elgin, Bartlett, Wayne, West Chicago, Warrenville, Aurora, Naperville, Plainfield, Joliet, Crest Hill, Romeoville, Preston Heights, New Lenox, Mokena, Frankfort, Richton Park, Matteson, Park Forest, Chicago Heights, Sauk Village, Lynwood, Ford Heights, Chicago, Shorewood, Minooka, and Channahon
- In Indiana—Dyer, Schererville, Griffith, Gary, East Chicago, Whiting, and Hammond

Land use along the EJ&E rail system varies from forested open space (five forest preserves in Lake, Cook, and DuPage counties in Illinois) to heavy industrial and also includes several parks, cemeteries, and schools.

1.5 Overview of the Environmental Review Process

The Board's decision to approve, approve with mitigation (including environmental mitigation), or to deny approval of CN's proposed acquisition of control of EJ&E West Company is a major Federal action requiring environmental review under NEPA. Before issuing a final decision, the Board must complete the environmental review process. This process includes determining the appropriate level of environmental review, determining the range of issues and alternatives to examine and assess in the environmental document, and preparing the environmental document.

The Board has established criteria, as promulgated in its environmental regulations at 49 CFR 1105.7, for determining the necessary level of environmental documentation. The Board's thresholds for environmental analysis with regard to potentially significant air quality impacts depend on the attainment status of air quality standards in the Study Area. Chicago is in nonattainment status for ozone and particulate matter less than 2.5 microns in diameter ($PM_{2.5}$) (U.S. Environmental Protection Agency [EPA] 2007a). Small portions of the Chicago metropolitan area have maintenance status for particulate matter less than 10 microns in diameter (PM_{10}). Therefore, the following thresholds apply to the preparation of this EIS:

- An increase of at least three trains per day on any segment of rail line
- An increase in rail traffic of at least 50 percent (measured in gross ton miles annually)
- An increase in rail yard activity of at least 20 percent (measured by carload activity)

The Applicants anticipate that 14 of the 18 segments of the EJ&E main line would experience increases of between 15 and 24 trains per day (Applicants 2007a). The projected increases in annual gross ton-miles per day would range from 78 to 1,280 percent on 17 of the 18 segments (Applicants 2007a). The projected car handlings would increase by nearly 200 percent at Kirk Yard and by about 140 percent at East Joliet Yard (Applicants 2007a). The increased traffic and yard activity resulting from the Proposed Action would substantially exceed the Board's thresholds for environmental analysis. Because of the potential environmental impacts of the Proposed Action and the level of concern expressed by potentially affected communities, the Board decided to prepare an EIS (Board 2007a) and issued its NOI published on December 21, 2007 (FR 2007a). The Board, acting through SEA, will serve as the lead agency during the environmental review (see Section 1.5.1, Lead Agency, below).

The NOI included a notice of initiation of the scoping process to determine the range of issues to examine and assess in the EIS, a notice of availability of the Draft Scope of the EIS, a request for

comments on the Draft Scope of the EIS, and a notice of open house meetings that were held in a number of locations in the Chicago metropolitan area in January 2008 (see Section 1.6.2, Scope of Study for the Draft EIS, below) (FR 2007a). SEA also established a toll-free project information line for public comments (with a Spanish-language option), and announced that an electronic filing system was available on the Board's web site to receive comments. SEA received about 3,000 comments during scoping.

After issuance of the Final Scope of the EIS in April 2008, reflecting the public comments and further analysis, SEA prepared this Draft EIS for the Proposed Action under NEPA guidelines in 49 CFR 1105.7 and CEQ regulations implementing NEPA at 40 CFR 1500 et seq. The purpose of this EIS is to assess thoroughly the potential environmental impacts that may result from the Proposed Action and to provide the Board and the public with clear and concise information on the Proposed Action and alternatives (see Section 1.7, Draft EIS Organization, below). This Draft EIS addresses those environmental issues and concerns identified during the scoping process and contains SEA's preliminary recommendations for environmental mitigation measures.

The Board requests public and agency comments on this Draft EIS. SEA uses any substantive comments to guide the development of the EIS from its draft to final form (see Section 1.8, Request for Comments on the Draft EIS, below). SEA then prepares a Final EIS that will address the comments that the public and agencies submitted regarding the Draft EIS. In reaching its decision in this case, the Board takes into account the Draft and Final EIS, the public and agency comments, and the environmental analysis and recommendations, including any environmental mitigation measures proposed by SEA.

Parallel to the environmental review process conducted by SEA, the Board is reviewing the Proposed Action through a process that examines the competitive, transportation, and economic implications of the proposed acquisition on the national rail system. After completing both review processes, the Board will issue a final decision approving the Proposed Action, denying it, or approving it with mitigation conditions, including environmental mitigation conditions (Board 2007b).

1.5.1 Lead Agency

In accordance with 49 USC 11323-11325, the Board is the Federal agency responsible for granting authority for the acquisition of control of rail lines. CEQ regulations for implementing NEPA regulations state that the "lead agency" is "the agency… preparing or having taken primary responsibility for preparing the environmental impact statement" (40 CFR 1508.16). Accordingly, the Board, through SEA, is the lead agency responsible for preparing this EIS.

1.5.2 Key Resource Agencies

Under 40 CFR 1503.2, "Federal agencies with jurisdiction by law or special expertise with respect to any environmental impact involved and agencies which are authorized to develop and enforce environmental standards shall comment on statements within their jurisdiction, expertise, or authority." Thus, Federal agencies shall review and comment on an EIS for a proposed action within their jurisdiction and area of expertise. An agency may reply that it has no comment on the EIS. SEA invited the following key Federal resource agencies to participate in an agency scoping meeting:

- Advisory Council on Historic Preservation
- U.S. Army Corps of Engineers
- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service

SEA has continued to consult and coordinate with those agencies in preparing this Draft EIS. Chapter 9, Outreach and Coordination, provides details on agency meetings and discusses the jurisdiction or special expertise of these agencies.

1.5.3 Other Agencies and Groups

In addition, SEA sent letters to the following Federal agencies, Native American groups, and state agencies, inviting them to participate in the agency scoping process:

- Other Federal agencies
    - U.S. Department of Agriculture, Natural Resources Conservation Service
    - U.S. Department of Energy, Fermi National Accelerator Laboratory
    - U.S. Department of the Interior, National Park Service
- Native American groups
    - Forest County Potawatomi Community of Wisconsin
    - Hannahville Indian Community Council
    - Kickapoo Tribe of Kansas
    - Kickapoo Tribe of Oklahoma
    - Miami Nation of Indians of the State of Indiana
    - Miami Tribe of Oklahoma
    - Potawatomi Nation
    - Prairie Band of Potawatomi Nation
- State of Illinois agencies
    - Illinois Commerce Commission, Transportation Bureau/Rail Safety Section
    - Illinois Department of Natural Resources
    - Illinois Department of Transportation, District 1
    - Illinois Department of Transportation, Division of Public and Intermodal Transportation, Bureau of Railroads
    - Illinois Environmental Protection Agency
    - Illinois Historic Preservation Agency
    - State of Illinois, Office of the Governor
- State of Indiana agencies
    - Indiana Department of Environmental Management
    - Indiana Department of Natural Resources, Division of Historic Preservation and Archeology
    - Indiana Department of Natural Resources, Indiana Lake Michigan Coastal Program
    - Indiana Department of Transportation
    - State of Indiana, Office of the Governor

SEA also invited the following to participate in the scoping process:

- Representatives of county governments (Cook, DuPage, Grundy, Kane, Kendall, Lake, and Will counties in Illinois and Lake County in Indiana)
- Representatives of regional governments (Barrington Area Council of Governments; DuPage Mayors and Managers Conference; Lake County Council of Mayors, Illinois; Northwest Municipal Conference; Northwestern Indiana Regional Planning Commission; South Suburban Mayors and Managers Association; and Will County Governmental League)
- Representatives of forest preserve districts (Cook, DuPage, Lake, and Will counties)
- Representatives of other groups (Amtrak, Chicago Metropolitan Agency for Planning, Environmental Law & Policy Center, Gary/Chicago International Airport, Metra, Northern Indiana Commuter Transportation District, Pace, Regional Transportation Authority, and Save the Dunes Council)

1.6 Scoping and Public Involvement

SEA developed the Draft Scope of the EIS, which describes the Proposed Action and alternatives for consideration as well as the issues for SEA to evaluate in the Draft EIS. SEA published the Draft Scope of the EIS in the NOI for public review and comment and requested comments (FR 2007a). Appendix A, Public and Agency Outreach Materials, contains copies of the materials that SEA provided to the public and agencies during the scoping process. After the close of the comment period for the Draft Scope of the EIS, SEA reviewed all comments received and then issued the Final Scope of the EIS.

1.6.1 Scoping Process

SEA conducted an extensive outreach program to encourage broad participation in the environmental review process. SEA invited all interested members of the public, communities, organizations, and agencies to participate in the scoping process by reviewing and commenting on the Draft Scope of the EIS.

1.6.1.1 Public Input

SEA ensured that the public had adequate notice of, and review time for, the Draft Scope of the EIS, as follows (see Chapter 9, Section 9.2, Public Involvement and Outreach, for additional detail):

- Announced, in the NOI published on December 21, 2007, the opportunity for public comment as well as the locations and times of the public scoping meetings.
- Placed public notices and advertisements for scoping meetings in Chicago-area newspapers.
- Placed announcement posters in public libraries and one village hall in communities along the EJ&E rail system.
- Placed calls to leaders in African-American and Hispanic communities.
- Sent newsletters to individuals on the project mailing list.
- Established a website at http://www.stbfinancedocket35087.com.
- Held scoping meetings at seven locations throughout the Chicago and northwest Indiana region between January 8 and 22, 2008.

- Set up a toll-free project information line (1-800-347-0689), including a Spanish-language option, to accept public comments.
- Established an electronic filing system on the Board's website at http://www.stb.dot.gov for submitting comments.

In response to requests, the Board extended the comment period for the Draft Scope of the EIS from February 1 to February 15, 2008.

1.6.1.2 Agency Coordination

As discussed in Section 1.5.2, Key Resource Agencies, and Section 1.5.3, Other Agencies and Groups, above, SEA has invited appropriate agencies to participate in the environmental review process. By identifying potential environmental issues within the Study Area, the agency comments helped SEA determine the level of environmental analysis warranted for the Draft EIS. As part of its consultations and coordination with agencies and other governmental entities, SEA held a scoping meeting on January 23, 2008, in Chicago and on January 24, 2008, in Indianapolis, Indiana, to solicit agency comments regarding the Proposed Action. SEA held scoping meetings for passenger rail agencies (Amtrak, Metra, and NICTD) on January 10, 16, and 25, 2008, respectively. See Chapter 9, Section 9.3, Agency Coordination, for details regarding the scoping meetings and agency comments.

1.6.2 Scope of Study for the Draft EIS

To develop the scope of study for the environmental review process, SEA did the following:

- Mailed copies of the Draft Scope of the EIS to the individuals on the environmental distribution list.
- Accepted comments on the Draft Scope of the EIS until February 15, 2008.
- Prepared the Final Scope of the EIS in accordance with comments received from the public and government agencies.
- Published the Final Scope of the EIS in the Federal Register on April 28, 2008, and included an overview of issues raised during the scoping period.
- Sent copies of the Final Scope of the EIS to the individuals on the environmental distribution list and made copies available for public review, along with large-scale maps of the area affected by the Proposed Action, at locations throughout the Chicago and northwest Indiana region.

Appendix A, Public and Agency Outreach Materials, contains the Draft Scope of the EIS and the Final Scope of the EIS as well as SEA's responses to comments received.

1.7 Draft EIS Organization

This Draft EIS is consistent with NEPA, the CEQ regulations, and the Board's environmental rules. It describes the Proposed Action, alternatives, the existing environment potentially affected by the Proposed Action, the potential environmental impacts associated with the Proposed Action and the alternatives, and the proposed mitigation measures. Specifically, the Draft EIS contains the following:

- Executive Summary – briefly describes the purpose of and need for the Proposed Action, the alternatives that SEA developed for study and evaluated in the Draft EIS, the potential environmental impacts associated with the Proposed Action and each alternative, and SEA's conclusions and recommendations.

- Table of Contents
- List of Abbreviations and Acronyms
- Glossary
- Chapter 1, Purpose of and Need for the Proposed Action – Specifies the underlying purpose of and need for the Proposed Action; the agencies involved in preparing and reviewing the Draft EIS; the process of developing the scope of study, and the overall organization of the Draft EIS.
- Chapter 2, Proposed Action and Alternatives – Describes the alternatives studied in the Draft EIS, as well as other alternatives that SEA considered but eliminated from detailed analysis. Chapter 2 also addresses proposed modifications to the Proposed Action requested by government agencies and other railroads. A table compares the potential environmental impacts of the Proposed Action and those of the alternatives.
- Chapter 3, Affected Environment – Describes, by environmental resource category, the existing natural and human resources in the Study Area. Chapter 3 also outlines regulatory requirements, assumptions, and data sources for each category.
- Chapter 4, Environmental Consequences – Provides the methodology for, and results of, the resource-specific analysis of potential environmental impacts associated with the Proposed Action and the alternatives.
- Chapter 5, Indirect Impacts and Cumulative Effects – Addresses indirect impacts and their magnitude; describes the impacts of the Proposed Action and the alternatives when added to other past, present, and reasonably foreseeable actions in the Study Area.
- Chapter 6, Mitigation – Describes mitigation measures recommended to minimize the environmental impacts of the Proposed Action and the alternatives.
- Chapter 7, Short-Term Use versus Long-Term Productivity – Discusses the relationship between the short-term uses of the affected environment for the Proposed Action and the alternatives as well as the maintenance and enhancement of long-term productivity of the environment.
- Chapter 8, Irreversible and Irretrievable Commitments of Resources – Describes the use of nonrenewable resources for the Proposed Action and the alternatives as well as the effects that this use could have on future generations.
- Chapter 9, Outreach and Coordination – Details SEA's outreach to the public, coordination with agencies, and scoping efforts related to preparation of the EIS.
- List of Preparers – Lists the names and qualifications of all the individuals primarily responsible for preparing the Draft EIS.
- References – Lists the sources of information used in preparing the Draft EIS.
- Index – Lists names, places, and key topics alphabetically, together with the page numbers on which they occur in the Draft EIS.
- Appendices – Contain additional detail to support the information in the body of the Draft EIS.

1.8 Request for Comments on the Draft EIS

SEA encourages all interested parties to submit written comments on any aspect of this Draft EIS. SEA will consider all comments in preparing the Final EIS, which will include responses to all substantive comments, SEA's final conclusions on potential impacts, and SEA's final recommendations.

1.8.1 Instructions for Submitting Comments

The deadline for comments on the Draft EIS is September 30, 2008. When submitting comments, please be as specific as possible and substantiate your concerns and recommendations.

Written comments should be mailed to:

Phillis Johnson-Ball
STB Finance Docket No. 35087
Surface Transportation Board
395 E Street SW
Washington, DC 20423-0001

Environmental comments can also be filed electronically on the Board's website, http://www.stb.dot.gov, by clicking on the "E-FILING" link.

Comments are accepted at the toll-free project information line at 1-800-347-0689. A Spanish language option is available.

See Chapter 9, Outreach and Coordination, for further details of the comment process for the Draft EIS.

1.8.2 Public Meetings

The Board will host public meetings on the Draft EIS as announced in the Dear Reader letter attached to this Draft EIS.